

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE

11-0319R

RESOLUTION RESCINDING PRIOR MODIFICATION AND APPROVING  
A REVISED MODIFICATION TO THE CANADIAN NATIONAL  
(FORMERLY KNOWN AS DMIR) RAILROAD JOBZ SUBZONE #100  
REALLOCATING CERTAIN ACRES IN SAID SUBZONE TO FORM A NEW  
JOBZ SUBZONE CALLED THE DULUTH TECHNOLOGY PARK SUBZONE  
#100.1

CITY PROPOSAL:

The city council of the city of Duluth hereby finds the following:

(a) The Duluth City Council adopted Resolution No. 03-0731 which authorized the Arrowhead Regional Development Commission to act as job opportunity building zone (JOBZ) zone sponsor and administrator and to make program commitments on behalf of the city of Duluth;

(b) The Minnesota department of employment and economic development (DEED) approved the northeast Minnesota regional JOBZ application for 4,031 acres including 351.12 acres within the city of Duluth;

(c) The Duluth City Council adopted Resolution No. 04-0236 designating those 351.12 acres within the city of Duluth into 11 subzones, including 40.0 acres in the Canadian National Subzone #100;

(d) The Duluth City Council adopted Resolution No. 08-0259R approving the modification of JOBZ subzone #100 and forming a new 12.35 acre JOBZ subzone #100.1 on April 14, 2008 on behalf of a data center project with VISI Incorporated;

(e) The VISI Incorporated project did not occur;

(f) The final modification of JOBZ subzone #100 and the formation of JOBZ #100.1 was never requested of DEED and therefore, never occurred;

(g) A new data center project has been identified which requires JOBZ subzone 100.1 to be larger than 12.35 acres;

(h) The city of Duluth wishes to reallocate 14.4 acres from Subzone #100 and form a new subzone of 14.4 acres which will be called the Duluth Technology Park Subzone #100.1 and further wishes to provide for the possibility of providing JOBZ benefits to businesses whose expansion or relocation may occur on

the 14.4 acre project site;

(i) The JOBZ program created in Minnesota Session Laws 2003, First Special Session, Chapter 21, Article 1, allows for the formation of tax free zones and for subzone boundaries to be amended with the approval of all taxing authorities.

NOW, THEREFORE, BE IT RESOLVED, that City Council Resolution No. 08-0259R adopted April 14, 2008 related to the VISI Incorporated project is hereby rescinded in its entirety.

BE IT FURTHER RESOLVED, that the city of Duluth approves a modification to the Canadian National Subzone #100 by removing a total of 14.4 acres from said subzone having the following parcel identification number: 010-2746-1330.

BE IT FURTHER RESOLVED, that the city of Duluth does hereby approve the creation of a new subzone of 14.4 acres called the Duluth Technology Park Subzone #100.1 (Parcel Identification #010-1356-00010, -00020 and -00030), approves the use of tax exemptions and tax credits within said subzone (subject to proper review and approval by the Minnesota department of employment and economic development (DEED) and other appropriate taxing authorities with the zones), and agrees to provide all of the local tax exemptions and credits required and

provided for under the JOBZ legislation and agrees to forgo the tax benefits resulting from the same.

Approved:

  
Department Director

Approved for presentation to council:

  
Chief Administrative Officer

Approved as to form:

  
Attorney

Approved:

  
Auditor

DEDA HTE:bel 06/07/2011

STATEMENT OF PURPOSE: The City of Duluth has 351.12 acres of dedicated JOBZ zones including 40.00 acres in the Canadian National Subzone #100. Redevelopment within Subzone #100 is unlikely to occur before the JOBZ program sunsets in 2015. The City wishes to swap 14.4 acres from Subzone #100 to form a new subzone of 14.4 acres which will be referred to as the Duluth Technology Park Subzone #100.1.

The designation of the Duluth technology park area as a JOBZ designation is a critical component of the ongoing efforts to establish a data center project with Involta, LLC. The JOBZ statute allows for subzone boundaries to be amended with the approval of all taxing authorities. This resolution provides the necessary approval of the City.



